



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 14, 2002

Larry L. Dutson
140 North 150 East
Delta, Utah 84624

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Red Gulch Quarry, S/027/098, Millard County, Utah

Dear Mr. Dutson:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee, received by the Division on March 21, 2002. The location of this project was originally permitted as an exploration project under M & B Quarry (Mert Hamilton), known as Serendipity #1 and #2. This small mine application could not be processed until the exploration permit was formally transferred to you from M & B Quarry, which was accomplished on May 13, 2002. You changed the name of the project from Serendipity #1 & #2 to Red Gulch Quarry. Because you now propose to operate the project as a small mine, **we will close and retire the exploration permit (E/027/066). All correspondence for this project will now be under the small mine notice under file number S/027/098. The BLM case file number will be UTU-079464-01.**

The proposed Red Gulch Quarry is located in the E1/2 of the SW1/4 and the W1/2 of the NW1/4 of the SE1/4 of Section 30, T18S, R13W, SLBM, Millard County, Utah. The application is considered complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined. We have received notification from the Bureau of Land Management that they have accepted your small mining notice.**

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. **It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Please be advised that beginning July 1, 2002, the Small Mining Notice fees will be increased to \$150.00. You will receive a billing statement for the next fiscal year for the new permit fee amount.

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For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Munson", with a long horizontal flourish extending to the right.

Tom Munson
Senior Reclamation Specialist

jb
Enclosure
cc: Jerry Mansfield, BLM, Fillmore FO (UTU-079464-01)
Exploration file E/027/066
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